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ABSTRACT

The property tax is the single most important revenue source for local governments and school districts in New York State. Its positive attributes are its stability, simplicity, efficiency, predictability, and its contribution to local government. Yet gross inequities are associated with assessment administration of property tax. An analysis of a 1973 equalization survey shows that only 6.8 percent of municipalities fall within plus-or-minus 20 percent accuracy of assessment. Without drastic reform of assessment administration, meaningful reform of the state-local system of educational finance will be difficult. Although there are alternatives to the full value standard of taxation, great problems stem from using these standards. No matter what standard is used, proper apportionment of property tax burdens is impossible without first determining full value of property. If a full value standard were implemented, the residential class would experience the greatest tax levy increase, although only 23.7 percent of all municipalities would be affected, and most of the dollar shifting would result from correction of intraclass inequity. If no changes are made, cases challenging improper overassessment will force school districts to pay refunds of improperly collected tax money. Thus an inescapable relationship between educational finance and New York real property tax administration exists. (Author/JM)

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EDUCATIONAL FINANCE AND THE NEW YORK STATE REAL PROPERTY TAX

The Inescapable Relationship

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC) AND USERS OF THE ERIC SYSTEM."

Hugh L. Carey, Governor

May, 1976

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EA 011 457

PREFACE

Governor Carey's Task Force on Aid to Education, chaired by Max J. Rubin, submitted its report to the Governor in April 1975. The first volume of the two-volume report dealt with school finance.

In order to rectify some of the problems in the current system of school finance, the Task Force urged the Governor to take a series of steps. The first step on the Task Force list was "to reform the administration of the property tax to make the basic method of providing educational revenues fairer." The Task Force called for "immediate reform of assessment practices." It also stated, "Reform of the structure and the administration of the property tax is a major part of school finance reform."

As a vehicle for carrying out its recommendations, the Task Force on Aid to Education suggested that the studies which it proposed be initiated by the Governor's office and proposed that "a small working party or task force [be] established by the Governor." To implement this recommendation Governor Carey sought and received a grant from the Ford Foundation. To guide the Budget staff unit established to coordinate these studies, the Governor appointed a six-member panel of school finance specialists.

Since the first priority of the Governor's Task Force on Aid to Education dealt in the school finance area with property tax reform, it is appropriate that the first publication developed by the State of New York with the monies available from the Ford Foundation is this booklet documenting the inescapable connection between school finance reform and reform of the property tax base. Future publications on other aspects of school finance in New York State are planned.

The material presented in this report has been reviewed by members of Governor Carey's Advisory Panel of Consultants. Data presented were selected to help illustrate some of the problems in the present system of local property tax administration in New York State and the inescapable relationship of these problems to financing public education in the State.

The cost for publication of this report has been financed pursuant to the two-year Ford Foundation grant awarded to the State in the fall of 1975. The technical staff work involved in the preparation of this report has been done by staff members in the New York State Board of Equalization and Assessment and the New York State Division of the Budget Education Unit.

Members of the Governor's Advisory Panel of Consultants

Donna Shalala, Chairwoman
John Callahan
Alan Campbell
Walter I. Garms
Dick Netzer
Allan Odden

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EDUCATIONAL FINANCING REFORM AND THE REAL PROPERTY TAX:

THE INESCAPABLE RELATIONSHIP

I. THE SIGNIFICANCE OF THE PROPERTY TAX IN STATE/LOCAL FINANCING IN NEW YORK

In any analysis of State and local finance in New York, an understanding of the role of the real property tax is essential. This tax is the single most important total revenue source for the local governments and the school districts of the State; additionally, it is generally an essential element in State financial planning for the distribution of State aid to local governments and school district (e.g. education aid, revenue sharing).

The Largest Revenue Source

As shown in Table I, the real property tax raises significantly more revenue in New York State than any other single tax. State income tax revenue, for example, is only 52.7 percent of the property tax yield. State sales taxes produce only 27.6 percent as much money as the property tax. State revenues from all other taxes are only 42.9 percent as great as property tax revenues.

Table I: TOTAL ESTIMATED STATE & LOCAL TAXES, 1974-75

TAX	STATE	LOCAL	TOTAL
	(amounts in billions)		
Property	-0-	$ 7.20	$ 7.20
Income	$3.80	.57	4.37
Sales	1.99	1.35	3.34
Other Taxes*	3.09	1.04	4.13
	$8.88	$10.16	$19.04

*Includes motor vehicle, motor fuel, cigarette, beverages, licenses, highway use. New York City General Business, etc., stock, transfers, occupancy, etc.

The relative importance of the real property tax for individual categories of New York State municipal government is suggested by Table II.

Town government is more reliant on the property tax (47 percent of expenditure) than any other category of government. However only 13 percent of the total levy statewide is used for town purposes. Schools are

Table II: SUMMARY OF 1973-74 REAL PROPERTY TAXES AND EXPENDITURES
By Municipal Corporation*

Category of Municipal Government	Real Property Taxes	Real Property Taxes as A Percent of Total Real Property Taxes	Expenditures	Expenditures As a Percent of Total Expenditures	Real Property Tax Levy As A Percent of Expenditure
A. New York State (Excluding New York City)					
Counties	$ 846,309,535	23.2%	$ 3,396,262,546	32.9%	24.9%
Cities	277,891,525	7.6	1,068,210,493	10.3	26.0
Towns	478,921,160	13.1	1,014,989,878	9.8	47.2
Villages	153,612,394	4.2	398,609,107	3.9	38.5
School Districts	1,889,833,470	51.8	4,449,584,199[a]	43.0	42.5
Total	$3,646,568,084	100.0%	$10,327,656,223	100.0%	35.3%
B. New York City					
New York City	$2,480,113,562	100.0%	$10,783,313,370[b]	100.0%	23.0%
C. New York State					
Total State	$6,126,681,646	100.0%	$21,110,969,593	100.0%	29.0%

*Source: Special Report on Municipal Affairs by the State Comptroller for fiscal year ending 1973.

[a]Expenditures for four fiscally dependent school districts--Buffalo, Rochester, Syracuse, and Yonkers--are included in this total.

[b]Includes expenditures for the New York City school district.

the second most reliant category (43 percent of expenditure) and account for 52 percent of the tax. Counties, on the other hand, are the least reliant on the property tax levying 23.2 percent of the total tax statewide and supporting only 25 percent of their expenditures from this source. Even though schools receive the largest share of the tax, educators do not appear to have organized locally to seek changes in inequitable administrative processes.

Table III further demonstrates the significance of the real property tax as the largest single revenue producer for State and local governments nationwide. The same trend is also found in New York State.

Table III: STATE AND LOCAL TAX COLLECTIONS
50 States, October 1974 to September 1975*

Tax	Revenue Produced	% of Total	% Increase Over Prior Year
A. By Revenue Source			
Corporation Net Income	$ 6,700,000,000	4.7%	12.7%
Individual Income	22,200,000,000	15.5	10.4
General Sales & Gross Receipts	29,500,000,000	20.6	8.5
Property	52,400,000,000	36.5	6.5
Motor Vehicle & Operators License	4,200,000,000	2.9	2.5
Motor Fuel Sales	8,400,000,000	5.9	2.0
Miscellaneous	20,100,000,000	13.9	
Total	$143,500,000,000	100.0%	7.8%
B. By Governmental Level			
State Tax Collections	$ 81,300,000,000	56.7%	7.2%
Local Tax Collections	62,200,000,000	43.3	8.6
Total	$143,500,000,000	100.0%	7.8%

*Source: State Tax Review, Vol. 37, No. 8, February 24, 1976, p. 1.

Positive Attributes of the Property Tax: The Pragmatic View

Besides its evident significance as a generator of large amounts of money, the real property tax has several other attributes which are notable because of their positive contribution to local finance.

Stability: By its very nature, the real property tax is the most stable of all major revenue sources.* Unlike the income tax, it does not rise and fall with the dollar income of State residents; unlike the sales tax, it is not subject to the ebb and flow of consumer expenditures. Thus, local governments can depend upon it to yield the desired amounts of revenue, even in times of extreme economic fluctuation.

Simplicity/efficiency: A second very practical factor is that the levy, collection and enforcement of this giant revenue source takes place in a very simple and efficient manner. With very limited expense, any local government in the State will generally collect virtually all of the real property tax within three months of the date of levy. And in the few cases in which payment is not made, it becomes apparent how difficult it is to evade the tax. The entire amount billed must be paid, and failure to do so will entitle the local government to enforce against the property (i.e., the tax sale).

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*"Stability" as it is used here refers to the fact that property tax revenues do not fluctuate violently with external economic conditions. This is not to ignore the fact that the State and local governments have the power to shrink the tax base by granting exemptions and by neglecting their supervisory duties. Nor does this fact of fundamental stability deny the growing trend in New York City for the owners of certain parcels to abandon their property and default on the tax.

Except in Westchester County, New York State school districts are protected against the loss of property tax revenues resulting from bankruptcies, mortgage foreclosures, and other similar conditions because the county government is required to transmit to school districts the monies that should have been collectible. The only liability a New York State school district outside Westchester County has to meet is for court-ordered refunds due to inequitable property tax administration.

Predictability: Property taxes have the distinct advantage that the tax rate can be precisely adjusted (within certain constitutional tax limits) to obtain the revenues needed by the taxing jurisdiction.* Even though assessment is done by the town for county, school district and, frequently, village purposes, these other units of local government are able to determine their own level of public expenditures and to adjust the tax rate to achieve the budgeted amounts.

Local Responsibility: The real property tax is the only revenue source which is locally imposed and locally controlled and therefore a local political responsibility. Because of the nature of the property tax, it is uniquely suited to local administration and has therefore become the life blood of local governments. Unquestionably without the property tax the very existence of local government would be difficult unless state assistance was substantially increased.

II. PROPERTY TAX ASSESSMENT ADMINISTRATION IN NEW YORK STATE: ASSESSMENT INEQUITIES AND THE LOSS OF CREDIBILITY

Unfortunately, despite its evident fiscal importance and the efficiency of its levy, collection and enforcement, the real property tax has been and continues to be weakened by the gross inequities associated with assessment administration.

The Role of State Government

In New York State, the real property tax is a primarily local tax. State government has historically had relatively little to do with it; the State's principal functions, since giving up the property tax as a revenue source, have been to supervise it rather loosely and to erode the local tax base by granting exemptions.

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*Only New York State school districts which are located in whole or in part in a city are subject to a constitutional property tax limit. The Constitution limits the property tax for a city with a population of one million or more for all operating purposes (including city, county, and school district) to 2.5 percent of the average full valuation. For cities with a population ranging from 125,000 to one million, the limit for city purposes (including school district operations) is 2.0 percent, but the county in which such districts are located also has a limit ranging from 1½ to 2.0 percent. School districts in all cities of less than 125,000 are fiscally independent with tax limits ranging from 1.25 percent to 2.0 percent. Separate constitutional limits of 2.0 percent apply both to all such cities and of up to 2.0 percent to the counties in which they are located.

Although for years, New York State has spent more than any other state on equalization and assessment, it has put almost all of its dollars into the equalization function and correspondingly little into assessment. The money spent on equalization has been well spent and has produced many dividends, but neglect of assessment supervision has left us with one of the worst records in the nation in terms of assessment equity, specifically, worse than all other states except Virginia, Mississippi, Massachusetts and Louisiana.*

The State's neglect of this strategically important tax has now come full circle, and action is called for to revitalize and regenerate new respect for this biggest and most stable of all public revenue sources in the State.

Assessment Inequities - Misinformation and Oversimplification

There are doubtless some in every state, including New York, who see in the proliferation of judicial decisions against some longstanding assessment practices a kind of unwarranted attack on a fundamentally sound system. It is true, they acknowledge, that there is some inequity of assessment among property classes, and this will need some correction. But, they hold, within the residential property class, within which most taxpayers and voters may be found, the situation is not really so bad. The status quo, as they see it, is not a wholly indefensible position.

A Look at the Status Quo: Before going on, it is well to examine some of New York State's statistics on assessment of residential property to see whether, indeed, one can make a credible defense of the status quo.

One way to measure the state of residential assessment is to compare actual sales prices and assessments. Taking a sample of residential properties that recently sold, one can compare the sales prices and the assessments, calculating for each property the percentage the second is of the first. The ratios are then arrayed from low to high and the coefficient of variation around the simple mean of the residential sample is calculated. The coefficient of variation, then, is the measure of average deviation of assessments from the mean of the residential sample as shown in Table IV.

Ideally, all assessed values would be 100 percent of market value. Practically, since assessment is not a precise process, it is not unreasonable to allow assessors plus-or-minus 10 percent deviation in the ratio of assessed to market value.

*The measurement used here is the commonly accepted index of assessment error, the coefficient of dispersion. (From a 1971 Bureau of the Census study).

In an analysis of the 1973 equalization survey, as may be seen in Table IV below, only 68 or 6.8 percent of municipalities even fall within a generous plus-or-minus 20 percent accuracy of assessment in this sampling.

Table IV: ANALYSIS OF NEW YORK STATE MUNICIPALITIES, BY COEFFICIENT OF VARIATION, 1973 SURVEY#

COEFFICIENT OF VARIATION* AROUND SIMPLE MEAN OF RESIDENTIAL SAMPLE	NO. OF MUNICIPALITIES**
Under - 20%	68
20 - 30%	265
30 - 40%	293
40 - 50%	197
50 - 60%	77
60 - 90%	91
	991

To summarize the significance of this study: in all but a handful of assessing units in New York State, assessments of residential property are scattered with appalling randomness over a wide range of deviation from the simple mean. The status quo of residential assessment in most municipalities does not differ significantly in accuracy from what might be obtained by lottery.

Other Unreasoned Responses: So universal is the criticism of the real property tax as it is now administered that the air is filled with cries for reform that are less than prudent, considering the position of the tax as a revenue producer. There are demands to freeze the equalization rates. There are proposals to move the responsibility for administering to higher levels of

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#For more information, see Table XI: Distribution of Municipalities, By 1973 Market Value Ratio and Municipal Coefficient of Variation.

*The coefficients of dispersion about the means, and medians, were also examined. Although they represent slightly smaller percentage values, the patterns of dispersion are quite similar to that of the coefficient of variation.

**Includes cities and towns.

government and some suggestions that the tax be abolished. There are pleas for still more exemptions.

In the midst of all this, the Nation's largest city, with a property tax base already substantially eroded, teeters on the brink of insolvency.

Necessity for Responsible Action: Although there is every reason to examine all aspects of the real property tax to improve it as a fair and equitable revenue source, it would be a tragic reversal of priorities to contemplate substantive changes in the law itself without first revitalizing the tax base from any further degradation. The real property tax is the mainstay of local government and fundamental to, among other things, the maintenance of appropriately high credit ratings and investor confidence.

III. LOCAL EDUCATIONAL FINANCE AND THE PROPERTY TAX

As can be seen from Table II, the property tax is an extremely important element in the fiscal structure of the local school district in New York State. However, there has been a loss of public credibility as a result of rampant inequities in assessment administration.

The focus of the advocates of school finance reform appears to relate almost exclusively to the theoretical concept of the educational funding system rather than to the actual administration of the real property tax. This continued disregard of a major revenue base can be of no benefit to sound State-local educational financing in the future.

Assessment Inequity and Current Proposals for Change

Various reforms have been proposed to redistribute tax revenues more equitably for education. These include the use of a state or regional property tax. Whatever the merits of such proposals in terms of their ultimate economic consequence, it should be recognized that use of the current assessment rolls as the basis for levying either a state or a regional property tax for education could produce a large number of court cases challenging the equity of the program.

At the present time there is no uniform pattern regarding the assessment of residential and other classes of property within different assessing units. Even under current conditions there are a number of school districts, located in two or more assessing units, in which the owners of property with the same market value have widely varying full value tax rates. If a regional or statewide property tax were implemented on present assessment rolls, there would be even wider ranges in tax rates for properties having the same market value.

Impact of "Random Assessment" on Residential Taxpayers: Another way of looking at the quality of property tax assessment is to explore the impact of "random assessment" on taxes. If residential assessments represent a wide range of error from too little to too much, then the taxes paid by the property owners reflect this error in tax dollars. To get a sampling of dollar effects, the assessment rolls in specific municipalities were examined.

In one municipality the State Board of Equalization and Assessment's sample included 475 residential parcels in the $35,000 full value class. Of these, 30 percent would have a change in their school tax bill of less than 10 percent if all residential assessments were corrected. Fifty-five percent would experience a decrease greater than 10 percent in school taxes in such an event and 15 percent would experience an increase greater than 10 percent.

In the same municipality, residences in the $25,000 value range would experience changes in school taxes upon correction of all residential assessments which run from an annual decrease of $229 to an annual increase of $220.

Some other examples, selected at random, from the same municipality are as follows:

RESIDENCES WITH FULL VALUE OF	IF ALL RESIDENTIAL ASSESSMENTS CORRECTED, RESULTING SCHOOL TAX CHANGE RANGING FROM	TO
$25,000	-$229	+$220
31,000	- 319	+ 151
39,000	- 307	+ 122
48,000	- 398	+ 426

These examples, and there are thousands of others, demonstrate the simple truth that the school tax, levied ad valorem on randomly erroneous assessment, is apportioned among individual residential properties in a capricious and indeed chaotic manner.

The status quo in residential property assessment in New York State is not even recognizable as an ad valorem system. Illegality and inequality in assessment

are widespread. It has been estimated that no more than a few dozen assessment rolls in the State would meet acceptable standards of equity.

Random Assessing as a Threat to School Financing: Even before the Hellerstein* decision, administration of the real property tax without regard to a standard was legally suspect.

Levels of assessment vary from one assessing unit to another, and indeed invariably (by class and otherwise) within individual assessing units. Levying a tax for school districts which cross assessing unit lines creates the probability of bias against certain taxpayers.

Equalization serves to equalize relative tax burdens between assessing units; it does nothing for individual parcels within such assessing units. Thus two taxpayers, with property of the same market value in one school district, but in two separate towns, are currently paying vastly differing school tax bills depending solely upon the degree of inequity (i.e., the variation away from a uniform standard) in their respective towns. When this situation occurs as a result of assessing in blatant disregard of the statutory standard, there is clearly a violation of equal protection.

The Hellerstein decision of the New York State Court of Appeals adds an additional critical reason for administrative reform; namely that section 306 of the Real Property Tax Law requires all real property to be assessed at its full value and that local distortions of that standard will no longer be tolerated. If a state or regional tax were levied on current assessment rolls, it would undoubtedly be subject to attack as being in violation of the Hellerstein decision (i.e., section 306 of the New York State Real Property Tax Law) since the levies would not be based on full value assessments.

In taking note of the proposals for change in the use of the property tax, the Temporary State Commission on State and Local Finances, in its Final Report (Volume 2), observed:

> Implementation of any of these proposals under current conditions would magnify the impact of the existing inequities...

* A decision in the Hellerstein vs the Assessor Town of Islip (37 N.Y. 2d 1) case was handed down by the New York State Court of Appeals in 1975. The court order called for full value assessment in the Town of Islip (Suffolk County) by December 31, 1976. The town has filed for a delayed implementation date.

> Perhaps the most problematical of these proposals is that of using the property tax base for the imposition of a statewide tax, with the goal of accomplishing the equal imposition of costs combined with an equal redistribution of resources. Referring back to our analysis of equity within assessment classes, particularly for residentials, this concept is unworkable. The degree of variation in assessments will destroy any intended uniformity in the imposition of costs. The same problems impact on other proposed uses of the tax base. Only the active implementation of better assessment administration can make such proposals even proper for substantive evaluation. (page 77)

IV. THE INESCAPABLE RELATIONSHIP

Without drastic reform of assessment administration, meaningful and realistic reform of our State-local system of educational finance will be difficult to accomplish. If the property tax is not used as a source of revenue for public schools, the entire structure of State and local finance in New York State would require a realignment which could be politically overwhelming.

A definite local assessment standard applied in actual practice is a necessity for equitable property taxation and to equitable distribution of the tax burden for school purposes. The current statutory standard of assessment in New York is full value (market value). In practice, de facto fractional and class assessment are the rule. However, as currently administered, fractional and class assessment are not true standards; they are simply willy-nilly assessments based on no standard.

V. ALTERNATIVES TO THE FULL VALUE STANDARD

A review of the administrative standard for property taxation in other states reveals the fact that alternative standards do exist. Generally the standards fall in three categories:

(1) Fractional Assessment Accomplished by:

(a) Uniform statewide percentage of full value
(b) Uniform locally determined percentages of full value

(2) Class Assessment (Differing Statewide Percentages of Full Value by Use Class)

(3) Combinations of the Foregoing

While it is true that these alternative standards are in operation in some states, the consequences of adopting either a fractional or a classified standard in New York State are far-reaching. For instance, the potential impact on the industrial and commercial climate of the State must be carefully studied and the potentially disastrous consequences of other than a full value standard on the constitutional tax and debt limits of the State's largest cities (already financially hard pressed) would be a matter of grave concern. If equalization rates could not be applied to the assessed value of fractionally assessed property, cities would be confronted with much more restrictive tax and debt limits.

The problems are far too numerous and serious to adequately deal with here; however, a very comprehensive study of the judicial and legislative reaction to Hellerstein-type court actions is available for those who wish to study the subject further. This study includes an in-depth analysis of judicial and legislative activity in other states and a comparative review of assessment standards: fractional, classified, full value and hybrid.

VI. TOWARD A REVITALIZED PROPERTY TAX

Over the years, most of what has been written has suggested that ad valorem real property taxation is relatively regressive. Recent writings, however, by some of the most significant authors on the subject suggest changing attitudes toward the socio-economic aspects of the tax.

Likewise, property tax uniformity and equality have been the subject of legislative and judicial controversy almost since the introduction of the tax as a revenue measure in the United States. From the early days most of the rulings spoke to the issue of over-valuation with a decided reluctance to deal with the issue of inequality. Remedies were almost always directed at raising the assessments of other taxpayers to full value rather than reducing the taxable value of the property of the petitioners.

It was not until 1923 that the United States Supreme Court held that a property owner had the constitutional right to have the assessment on his property reduced to less than full value on the grounds that the full value standard was not being applied to other property in the assessing unit.

Since the middle 1950's the legislative and judicial activity in the property tax area has very substantially increased. There has emerged a recognition that the determination of full value is a necessary prerequisite to the application of any standard (full value, uniform fraction or uniform fraction by class). In other words, proper apportionment of property tax burdens is impossible without first determining the full value of the property involved.

The late 1960's and early 1970's brought new hope for administrative reform. There was a recognition that the vast amounts of data required to determine full value could not be handled by the existing administrative process. New techniques of data management, application of statistical techniques to the appraisal process and high speed computers combined to unravel the administrative problems which had plagued property tax administration since the beginning. Machinery and tools are now available to achieve any equitable standard of assessment on a routine basis.

Once an equitable standard of assessment has been achieved, it will be possible to analyze various alternate ways to use the real property tax. Regional assessments to establish property tax bases for schools or for combined city and suburban regions can be considered without the concern for the variable which has heretofore plagued any in-depth studies of these alternatives; i.e. the gross inequities, both inter-and intra-jurisdictional, which are so much a part of our present assessment administration.

While full value has been difficult to determine and maintain in the past, modern technology now makes it possible to achieve fair and equitable administration of the property tax. Therefore, such a standard should not be abandoned simply because of failure to attain it in the past.

VII. THE FEAR OF EQUITABLE ASSESSMENT ADMINISTRATION: TAX SHIFTS AND THEIR MEANING

Section 306 of the New York State Real Property Tax Law requires that "all real property...shall be assessed at the full value thereof." In the spring of 1975, the New York State Court of Appeals held that the widespread practice of fractional assessment did not constitute compliance with that statute. In Hellerstein v. Assessor Town of Islip (37 N.Y. 2d 1) the court ordered the town to assess all property at full value. More recently, in two cases not reported as of May 18, 1976, the New York State Supreme Court ordered the Town of Mendon, Monroe County and the Town of Catskill in Greene County, to revalue property on assessment rolls at full valuation levels.

In view of the unassailable fact that assessment rolls in most assessing units are unconscionably inequitable in relation to section 306, and because most people believe that residential owners are favored by relatively lower assessments, there is now a need to discuss the fiscal implications of implementing full value assessing.

Tax Shifts Among Classes

(a) If all property in upstate New York were assessed at full value, what major shifts in the tax levy would occur among classes? (See Table V)

This study was done by like areas (see appendices) and does not purport to show the effect in any one of the 991 towns and cities of the State. Each municipality would have its own unique pattern of shifts, reflecting correction of its past assessing practices.

The following classes of property would experience the largest net reductions in tax levy, in the amounts shown.

Class	Decrease (in millions)
Commercial	$81.7
Utility	71.2
Industrial	42.9
Apartment	28.0

The above decreases show that these classes, on a net summary basis and excluding New York City, are currently overassessed in New York State.

The following classes of property would experience the largest net increases in tax levy.

Class	Increase (in millions)
Residential	$138.0
Vacant Land	59.9
Farm	27.6

The above increases reflect the fact that these classes on a net summary basis, excluding New York City, are currently underassessed in New York State.

These figures are statewide summaries and thus do not reflect the changes that would occur in any particular municipality.

Since property appraisal is an imprecise process at best, one cannot regard increases or decreases in taxes of 10 percent or less as significant. Normal updating of assessments, even on an annual basis, can be expected to produce changes of that magnitude. Thus, as we examine the impact of bringing the whole state up to the full value standard, our concern must focus upon increases above 10 percent.

(b) What proportion of towns and cities would experience an average shift of the tax burden to the owner occupied residential class greater than 10 percent? (See Table VI).

The owner occupied residential class is destined to experience a greater aggregate tax dollar increase than any other class as a result of changing to full value assessment.

Table VI shows that less than a quarter of all 991 municipalities in the state (23.7 percent) will experience a shift to residential taxpayers of greater than 10 percent. (A breakdown of Table VI, by groups of towns and cities, is contained in the Statistical Appendix described on page 21.)

Thus, in over three-quarters of the State's municipalities, the owner occupied residential class will either benefit by a reduction in tax levy; experience an increase of 10 percent or less, or experience no change at all as a result of full value assessment as shown in Table VI.

The next section analyzes the same data by parcels rather than by municipalities.

(c) How many and what percent of RESIDENTIAL PARCELS would experience an increase of 10 percent or more, given a change to full value assessment? (See Table VII)

This question addresses the matter of inter- and intra-class shift of the tax levy, or correction of the inequity currently existing among residential parcels resulting from the widespread failure to conform with the full value standard.

	No. of Owner Occupied Residential Parcels	Percent of Parcels with Greater than 10% Increase
Total State (exclusive of New York City)	976,000	40.8%
New York City	499,000	90.3%

Outside the City of New York, 59.2 percent of all parcels will have a reduction in tax levy, will have an increase of 10 percent or less, or will experience no change at all as a result of full value assessment. The situation within the State's largest city reflects the nearly total breakdown of equitable assessment, both inter- and intra-class.

(d) What are the NET and ABSOLUTE dollar values of shifts in the tax levy in the owner-occupied residential class? (See Table VIII - State Exclusive of New York City)

The amount of dollar shifting in the tax levy brought on by full value assessment is easily misunderstood. Most of it represents transfers of tax liability among parcels within the class; the balance represents increases or decreases in tax liability to the class itself.

Two different types of tax shift may be computed for the residential property class outside of New York City concerning the impact of implementing full value assessment statewide. One is the absolute value of the changes in residential property taxation, or the sum of all tax levy changes regardless of sign. (E.g., one owner's property tax bill increases by $100 and another owner's decreases by $100; the absolute value of these changes is $200.) This value is an indicator of the degree to which the status quo is disturbed.

The other shift is the net value, or that part of the dollar shift that reflects the net effect on the residential property class as a whole; in other words, the amount of the taxation shift from other property classes to all owners of residential property.

ESTIMATED EFFECT ON OWNER-OCCUPIED RESIDENTIAL PROPERTY ACCRUING FROM BOTH INTER- AND INTRA-CLASS LEVY SHIFTS WHEN FULL VALUE STANDARD IS REALIZED IN NEW YORK STATE (EXCLUDING NEW YORK CITY)

Absolute Value	$441 Million*
Net Value	138 Million
Difference Between Absolute and Net Values:	
Amount	$303 Million
As Percent of Absolute Value	69 Percent

Thus, in the residential property class, the net shift onto this class from all other property classes is less than a third of all tax levy shifts which will occur when the full value assessment is used in all portions of New York State (excluding New York City).

(e) What are the NET and ABSOLUTE dollar values of shifts in the tax levy WITHIN the residential class reflecting correction of intra-class inequity if the existing de facto classification system were legitimatized. (See Table IX)

RESIDENTIAL INTRA-CLASS TAX SHIFT	(MILLIONS)
Absolute	$377
Net	$ 0

If New York State were to adopt a system of classified fractional assessment designed to legitimize the status quo, the absolute tax shift within residential property classes throughout the State (excluding New York City) would be $377 million as indicated in the above table. This shift is only slightly less in order of magnitude than the $441 million shift which can be estimated to occur if the full value standard is maintained and enforced.

*For additional information, see TABLE VIII.

Consequently, the suggestion that Hellerstein be forestalled by legitimization of the status quo cannot be viewed as a device to substantially reduce the shifts among taxpayers.

(f) Upon changing to the full value standard, how do shifts in the residential class tax levy relate to the state's population? (See Table X)

As Table VI indicates, less than one quarter of the state's municipalities will experience an increase in the residential tax levy greater than 10 percent. Further, as shown in Table VII, only 40.8 percent of the parcels outside New York City will experience an increase of that magnitude. If this shifting tax burden is related to population, it appears that outside of the City of New York, 70 percent of the population lives where the net tax increase on owner occupied property would be under 10 percent if a full value standard were adopted.

* * *

SUMMARY

In summary, the class of property that will experience the greatest tax levy increase, upon a change to full value assessment, is the residential class. However, the change to a full value standard does not affect as many residential taxpayers, as once thought, as a recently completed analysis by the State Board of Equalization and Assessment reveals:

--Taking an increase of 10 percent or more in the tax levy as the lower limit of significance, we find that only 23.7 percent of municipalities will experience a significant (10 percent or more) residential tax increase, and 40.8 percent of all parcels outside New York City would be affected.

--Most of the dollar shifting in the owner occupied residential class results from the correction of intra-class inequity.

--Less than a third of the New York State population (outside New York City) lives where a significant increase in the levy of owner occupied residential property will result.

Because the residential class in New York State is the most significantly underassessed, the greatest correction must occur there when full value standard is established in accordance with law. On the surface, and without benefit of these new statistical studies, this correction might appear to be one which would evoke public outcry.

But these analyses demonstrate that the noncontroversial changes in owner occupied residential taxation -- no change, or tax decrease, or insignificant increase -- apply to the majority of municipalities, of parcels, and of population. And most of the dollar changes in tax levy in the owner occupied residential class result not from a transfer of the tax burden from other classes, but from the correction of existing inequity within the class.

The degree of exception is most significant in New York City, where proper assessment practice has been disregarded for several decades for all classes of property. For example, even though 2 out of 3 family units in New York City occupy rental property, that class on the average is significantly overassessed in the City.

The major issue for discussion by members of the educational community in New York State is not the impact of a transition to full value assessment -- but what will happen to the real property tax base if no changes are made.

At the present time, a large number of certiorari cases have been brought in New York State courts by owners who allege that they have been improperly assessed. The State courts have granted relief to a number of such property taxpayers by ordering local governments to make financial restitution. As a result of some court cases, the back payments cover a period of six years. If a local school district received 53 percent of the property tax monies collected from the property involved in the litigation (the statewide average), the district must pay 53 percent of the refund.

School districts are culpable in such certiorari cases even though New York State's fiscally independent school districts (which includes all major school districts except those in the State's five largest cities) are not part of the local governmental unit and have no local responsibility for establishment of assessments.

Thus, there is an inescapable relationship between educational finance and real property tax administration in New York State. When certiorari cases of the type described above are decided in the plaintiff's favor, it is not possible for the local government unit to go back and collect additional monies from the owners who were underassessed. Instead, the local governmental units who received the monies in the first instance are forced to try to make court-ordered payments out of existing revenues. For many New York State school districts such expenses are an added burden upon a budget which is already badly strained.

TABLES V - XI

(Regarding Potential Shifts in Property Taxation in New York State)

NOTE: Single copies of a Statistical Appendix providing more detailed background on Tables V, VI, X, and XI are available from either the Education Study Unit, New York State Budget Division, State Capitol, Albany 12224 or from the State Board of Equalization and Assessment, Empire State Plaza, Agency Building 4, 7th Floor, Albany, New York 12223.

SUMMARY OF PROPERTY CLASS SHIFTS RESULTING FROM
THE APPORTIONMENT OF 1973-74 LEVIES BY 1973 SURVEY MARKET VALUES
ON 1974 ASSESSMENT ROLLS

STATE TOTAL EXCLUDING NEW YORK CITY

PROPERTY CLASS	NUMBER OF PARCELS	PARCELS AS A PERCENT OF TOTAL PARCELS	1973 SURVEY MARKET VALUE	MARKET VALUE AS A PERCENT OF TOTAL MARKET VALUE	AVERAGE MARKET VALUE PER PARCEL	CURRENT TAX LEVY APPORTIONED BY ASSESSED VALUE	CURRENT LEVY AS A PERCENT OF TOTAL LEVY	ESTIMATED TAX LEVY APPORTIONED BY MARKET VALUE	ESTIMATED TAX LEVY AS A PERCENT OF TOTAL LEVY	TAX LEVY DOLLAR SHIFT	TAX LEVY PERCENT SHIFT	TAX LEVY SHIFT FOR AN AVERAGE PARCEL
RESIDENTIAL	2,394,390	69.3	70,237,940,604	60.2	29,334	2,148,732,725	57.4	2,286,778,759	61.1	138,046,034	6.4	58
COMMERCIAL	177,771	5.1	13,401,522,138	11.5	75,386	527,829,865	14.1	445,122,093	11.9	81,707,772-	15.5-	459-
APARTMENT	30,722	0.9	5,667,324,793	3.1	119,371	159,884,327	4.3	131,839,428	3.5	28,044,899-	17.5-	913-
VACANT	637,268	18.5	5,745,184,732	4.9	9,015	109,717,341	2.9	169,659,874	4.5	59,942,533	54.6	94
FARM	154,425	4.5	4,943,929,864	4.2	32,015	89,024,138	2.4	114,583,240	3.1	24,759,102	27.6	160
INDUSTRIAL	19,325	0.6	7,222,538,189	6.2	373,741	289,427,208	7.7	246,473,289	6.6	42,953,919-	14.8-	2,223-
UTILITY	15,947	0.5	6,258,670,157	5.4	392,467	254,830,571	6.8	183,597,666	4.9	71,232,705-	28.0-	4,467-
CEILING RAILRD	754	•	342,358,754	0.3	454,057	9,789,182	0.3	9,835,266	0.3	46,084	0.5	61
SPEC FRANCHISE	5,537	0.2	4,222,561,030	3.6	762,608	138,010,157	3.7	138,944,343	3.7	934,186	0.7	169
STATE OWNED LD	17,316	0.5	579,845,104	0.5	33,486	12,616,758	0.3	12,828,263	0.3	211,505	1.7	12
TOTAL	3,453,455		116,621,875,365		33,770	3,740,662,272		3,740,662,421		149		

• LESS THAN 0.1 PERCENT

DISTRIBUTION OF MUNICIPALITIES BY PERCENT CLASS TAX SHIFT RESULTING FROM ASSESSMENT EQUITY

STATE WIDE TOTALS

NUMBER OF MUNICIPALITIES - 991

PERCENT CLASS TAX SHIFT

PROPERTY CLASS	GREATER THAN -30.00 NUMBER OF MUNIC.	CELL AS A CUMULATIVE % OF TOTAL MUNIC.	-30.00 TO -10.01 NUMBER OF MUNIC.	CELL AS A CUMULATIVE % OF TOTAL MUNIC.	-10.00 TO 10.00 NUMBER OF MUNIC.	CELL AS A CUMULATIVE % OF TOTAL MUNIC.	10.01 TO 30.00 NUMBER OF MUNIC.	CELL AS A CUMULATIVE % OF TOTAL MUNIC.	GREATER THAN 30.00 NUMBER OF MUNIC.	CELL AS A CUMULATIVE % OF TOTAL MUNIC.	TOTAL
RESIDENTIAL	11	1.1%	147	15.9	599	76.3	159	92.3	75	99.9	991
COMMERCIAL	209	98.9	480	84.1	235	23.7	41	7.7	44		989
APARTMENT	46		375		142		20		7		590
VACANT	5		17		107		222		639		990
FARM	2		36		245		297		351		931
INDUSTRIAL	210		369		203		27		27		836
UTILITY	498		345		124		20		4		991
CEILING RAILROAD					580				2		582
SPECIAL FRANCHISE	410				578		1		2		991
STATE OWNED LAND	81		28		27		29		251		416

TABLE VII

ANALYSIS OF RESIDENTIAL INTER- AND INTRA- CLASS SHIFT IN TAX BURDEN WITHIN GROUPS OF SIMILAR MUNICIPALITIES

DISTRICT	TOTAL PARCELS	NUMBER AND PERCENTAGE OF PARCELS WHICH WILL EXPERIENCE A TAX DECREASE OF 10 PERCENT OR MORE UPON A SHIFT TO FULL VALUE ASSESSMENT.		NUMBER AND PERCENTAGE OF PARCELS FOR WHICH THE TAX SHIFT WILL RANGE FROM A DECREASE OF 10 PERCENT TO AN INCREASE OF 10 PERCENT UPON A SHIFT TO FULL VALUE ASSESSMENT.		NUMBER AND PERCENTAGE OF PARCELS WHICH WILL EXPERIENCE A TAX INCREASE OF 10 PERCENT OR MORE UPON A SHIFT TO FULL VALUE ASSESSMENT.	
		PARCELS	PERCENT OF TOTAL DISTRICT PARCELS	PARCELS	PERCENT OF TOTAL DISTRICT PARCELS	PARCELS	PERCENT OF TOTAL DISTRICT PARCELS
A-New York City Area SMSA Towns	798,022	180,941	22.7	308,087	38.6	308,995	38.7
B-Towns in other SMSA's Outside of New York City Area	670,562	180,489	26.9	259,370	38.7	230,704	34.4
C-Non-SMSA Towns where County Average Population Per Town is Greater than 2,500.	225,833	88,014	39.0	59,829	26.5	77,989	34.5
D-Non-SMSA Towns where County Average Population Per Town is Less than 2,500.	187,250	75,992	40.6	43,993	23.5	67,265	35.9
E-Cities with Population Greater than 25,000 Excluding "Big 5" Cities.	214,989	41,393	19.3	51,907	24.1	121,689	56.6
F-Cities with Population Less than 25,000	102,674	24,654	24.0	26,172	25.5	51,848	50.5
G-J - Buffalo, Rochester, Syracuse, Yonkers	195,060	36,991	19.0	40,240	20.6	117,829	60.4
UPSTATE TOTAL	2,394,390	628,474	26.2	789,598	33.0	976,319	40.8
K-New York City	552,674	31,153	5.6	22,692	4.1	498,829	90.3

26.2 + 33.0 = 59.2

TABLE VIII

GROUP STATE TOTAL EXCLUDING NEW YORK CITY

NUMBER OF MUNICIPALITIES 990

ESTIMATES OF TAX LEVY SHIFTS RESULTING FROM FULL VALUE ASSESSMENTS.
SHIFTS AMOUNG CLASSES
1973-74 LEVIES APPORTIONED ON THE BASIS OF 1973 SURVEY BASE YEAR
ASSESSED VALUES AND FULL VALUES

RESIDENTIAL CLASS

PARCEL'S LEVEL OF ASSESSMENT AS A PERCENT DIFFERENCE OF MUNICIPAL LEVEL OF ASSESSMENT*	NUMBER OF PARCELS	ESTIMATED CURRENT TAX LEVY	ESTIMATED INCREASE OR DECREASE IN TAX LEVY
FOR PARCELS WITH A MARKET VALUE LESS THAN $20,000.			
GREATER THAN -50.00	54,320	25,581,850	16,128,788-
-40.01 TO -50.00	46,188	20,349,296	8,697,452-
-30.01 TO -40.00	68,552	30,482,212	9,929,413-
-20.01 TO -30.00	92,061	42,480,661	9,492,283-
-10.01 TO -20.00	119,150	55,992,221	6,804,722-
ZERO TO -10.00	120,352	56,607,570	1,150,384-
0.01 TO 10.00	106,379	47,238,175	3,962,651
10.01 TO 20.00	87,451	37,197,736	6,877,086
20.01 TO 30.00	66,547	[illegible]173,291	7,795,116
30.01 TO 40.00	45,386	[illegible]184,041	6,697,037
40.01 TO 50.00	33,188	[illegible]655,421	5,759,750
GREATER THAN 50.00	98,762	[illegible]5,564,435	22,118,737
SUBGROUP TOTAL	938,336	397,906,909	946,834
FOR PARCELS WITH A MARKET VALUE BETWEEN $20,000 AND $59,999.			
GREATER THAN -50.00	3,493	6,946,716	4,114,050-
-40.01 TO -50.00	7,502	10,461,758	4,428,558-
-30.01 TO -40.00	24,941	32,834,724	10,465,943-
-20.01 TO -30.00	73,133	95,748,622	20,731,010-
-10.01 TO -20.00	160,699	199,287,347	23,505,038-
ZERO TO -10.00	255,566	302,014,526	5,170,464-
0.01 TO 10.00	256,712	282,374,071	23,095,578
10.01 TO 20.00	186,384	188,825,822	34,510,927
20.01 TO 30.00	127,969	117,243,819	33,475,866
30.01 TO 40.00	86,048	72,114,460	28,072,621
40.01 TO 50.00	55,265	42,660,156	20,984,364
GREATER THAN 50.00	117,832	69,488,198	58,271,391
SUBGROUP TOTAL	1355,546	1,420,600,220	129,985,683

* NEGATIVE RELATIONSHIPS INDICATE OVER ASSESMENT
POSITIVE RELATIONSHIPS INDICATE UNDER ASSESSMENT

TABLE VIII

GROUP STATE TOTAL EXCLUDING NEW YORK CITY

NUMBER OF MUNICIPALITIES 990

ESTIMATES OF TAX LEVY SHIFTS RESULTING FROM FULL VALUE ASSESSMENTS.
SHIFTS AMOUNG CLASSES
1973-74 LEVIES APPORTIONED ON THE BASIS OF 1973 SURVEY BASE YEAR
ASSESSED VALUES AND FULL VALUES

RESIDENTIAL CLASS

PARCEL'S LEVEL OF ASSESSMENT AS A PERCENT DIFFERENCE OF MUNICIPAL LEVEL OF ASSESSMENT*	NUMBER OF PARCELS	ESTIMATED CURRENT TAX LEVY	ESTIMATED INCREASE OR DECREASE IN TAX LEVY
FOR PARCELS WITH A MARKET VALUE GREATER THAN $60,000.			
GREATER THAN -50.00	945	11,943,832	7,076,619-
-40.01 TO -50.00	1,460	10,607,741	4,515,599-
-30.01 TO -40.00	3,121	18,488,365	6,056,816-
-20.01 TO -30.00	6,672	27,616,349	6,000,211-
-10.01 TO -20.00	13,945	51,482,211	6,114,116-
ZERO TO -10.00	19,014	65,545,427	1,151,213-
0.01 TO 10.00	18,842	55,403,434	4,606,861
10.01 TO 20.00	12,943	35,587,546	6,381,960
20.01 TO 30.00	7,789	24,004,577	6,743,434
30.01 TO 40.00	4,152	9,250,768	3,565,261
40.01 TO 50.00	2,921	6,110,298	2,997,395
GREATER THAN 50.00	8,705	14,185,048	13,733,180
SUBGROUP TOTAL	100,508	330,225,596	7,113,516
COMPOSITE TOTAL - ALL PARCELS			
GREATER THAN -50.00	58,759	44,872,398	27,319,457-
-40.01 TO -50.00	55,151	41,418,795	17,641,610-
-30.01 TO -40.00	96,614	81,805,302	26,452,173-
-20.01 TO -30.00	171,866	165,845,631	36,223,503-
-10.01 TO -20.00	293,794	307,361,779	36,423,874-
ZERO TO -10.00	394,932	424,167,522	7,472,060-
0.01 TO 10.00	381,932	385,015,681	31,595,087
10.01 TO 20.00	286,778	261,611,104	47,769,973
20.01 TO 30.00	202,305	168,421,687	48,014,416
30.01 TO 40.00	135,586	98,549,269	38,334,919
40.01 TO 50.00	91,374	60,425,875	29,741,509
GREATER THAN 50.00	225,299	109,237,681	94,122,808
GROUP TOTAL	2,394,390	2,148,732,725	138,046,034

* NEGATIVE RELATIONSHIPS INDICATE OVER ASSESMENT
POSITIVE RELATIONSHIPS INDICATE UNDER ASSESSMENT

ABSOLUTE VALUE $441,111,389

GROUP STATE TOTAL EXCLUDING NEW YORK CITY
NUMBER OF MUNICIPALITIES 990

ESTIMATES OF TAX LEVY SHIFTS RESULTING FROM FULL VALUE ASSESSMENTS.
SHIFTS WITHIN CLASS
1973-74 LEVIES APPORTIONED ON THE BASIS OF 1973 SURVEY BASE YEAR ASSESSED VALUES AND FULL VALUES

RESIDENTIAL CLASS

PARCEL'S LEVEL OF ASSESSMENT AS A PERCENT DIFFERENCE OF CLASS LEVEL OF ASSESSMENT*	NUMBER OF PARCELS	ESTIMATED CURRENT TAX LEVY	ESTIMATED INCREASE OR DECREASE IN TAX LEVY
FOR PARCELS WITH A MARKET VALUE LESS THAN $20,000.			
GREATER THAN -50.00	58,530	28,530,677	17,789,688-
-40.01 TO -50.00	49,052	21,584,247	9,355,999-
-30.01 TO -40.00	77,744	35,904,265	11,952,304-
-20.01 TO -30.00	105,605	50,324,726	11,584,633-
-10.01 TO -20.00	134,011	63,813,024	8,253,132-
ZERO TO -10.00	133,553	61,212,500	1,824,527-
0.01 TO 10.00	111,161	47,947,556	3,352,428
10.01 TO 20.00	83,986	33,090,670	5,672,945
20.01 TO 30.00	56,497	20,709,334	5,663,749
30.01 TO 40.00	38,027	12,769,745	4,777,477
40.01 TO 50.00	25,771	7,924,292	3,802,147
GREATER THAN 50.00	64,400	14,095,872	11,729,786
SUBGROUP TOTAL	938,336	397,906,909	25,761,752-
FOR PARCELS WITH A MARKET VALUE BETWEEN $20,000 AND $59,999.			
GREATER THAN -50.00	2,949	6,280,844	3,767,225-
-40.01 TO -50.00	7,416	12,155,190	5,269,308-
-30.01 TO -40.00	24,454	35,156,961	11,361,866-
-20.01 TO -30.00	86,334	116,506,130	26,105,830-
-10.01 TO -20.00	200,358	248,577,797	31,316,317-
ZERO TO -10.00	310,316	359,647,974	9,853,999-
0.01 TO 10.00	282,426	296,909,237	20,818,066
10.01 TO 20.00	177,823	163,439,677	27,863,644
20.01 TO 30.00	98,447	80,716,144	21,991,080
30.01 TO 40.00	58,644	42,873,608	16,050,354
40.01 TO 50.00	32,644	21,606,493	10,307,480
GREATER THAN 50.00	73,735	36,730,115	30,716,229
SUBGROUP TOTAL	1,355,546	1,420,600,220	40,072,308

* NEGATIVE RELATIONSHIPS INDICATE OVER ASSESMENT
POSITIVE RELATIONSHIPS INDICATE UNDER ASSESSMENT

TABLE IX

GROUP STATE TOTAL EXCLUDING NEW YORK CITY

NUMBER OF MUNICIPALITIES 990

ESTIMATES OF TAX LEVY SHIFTS RESULTING FROM FULL VALUE ASSESSMENTS.
SHIFTS WITHIN CLASS
1973-74 LEVIES APPORTIONED ON THE BASIS OF 1973 SURVEY BASE YEAR
ASSESSED VALUES AND FULL VALUES

RESIDENTIAL CLASS

PARCEL'S LEVEL OF ASSESSMENT AS A PERCENT DIFFERENCE OF CLASS LEVEL OF ASSESSMENT*	NUMBER OF PARCELS	ESTIMATED CURRENT TAX LEVY	ESTIMATED INCREASE OR DECREASE IN TAX LEVY
FOR PARCELS WITH A MARKET VALUE GREATER THAN $60,000.			
GREATER THAN -50.00	745	9,711,534	6,435,449-
-40.01 TO -50.00	1,804	14,337,568	6,337,294-
-30.01 TO -40.00	4,267	21,982,589	7,417,573-
-20.01 TO -30.00	10,251	42,217,257	9,727,795-
-10.01 TO -20.00	18,011	63,342,452	8,121,599-
ZERO TO -10.00	21,419	68,904,299	2,178,890-
0.01 TO 10.00	17,553	49,699,472	3,255,188
10.01 TO 20.00	8,676	25,449,806	4,304,964
20.01 TO 30.00	5,527	12,223,484	3,201,715
30.01 TO 40.00	2,892	6,862,490	2,545,578
40.01 TO 50.00	1,919	5,290,827	2,447,582
GREATER THAN 50.00	7,445	10,003,817	10,163,018
SUBGROUP TOTAL	100,508	330,225,596	14,210,550-
COMPOSITE TOTAL - ALL PARCELS			
GREATER THAN -50.00	62,224	44,523,055	28,042,360-
-40.01 TO -50.00	58,272	48,077,005	20,932,602-
-30.01 TO -40.00	106,464	93,043,815	30,731,743-
-20.01 TO -30.00	202,191	209,049,114	47,418,259-
-10.01 TO -20.00	352,381	375,733,273	47,691,040-
ZERO TO -10.00	465,288	489,764,773	13,857,416-
0.01 TO 10.00	411,139	394,756,516	27,435,679
10.01 TO 20.00	270,485	221,980,154	37,841,553
20.01 TO 30.00	161,470	113,648,962	30,856,545
30.01 TO 40.00	99,563	62,505,844	23,373,406
40.01 TO 50.00	60,334	34,821,613	16,557,208
GREATER THAN 50.00	145,580	60,829,803	52,609,034
GROUP TOTAL	2,394,390	2,148,732,725	0

ABSOLUTE VALUE $377,346,853

* NEGATIVE RELATIONSHIPS INDICATE OVER ASSESMENT
POSITIVE RELATIONSHIPS INDICATE UNDER ASSESSMENT

TABLE X

PROFILE OF MUNICIPALITIES, GROUPED BY THEIR ESTIMATED SHIFT IN TAX LEVY FOR THE RESIDENTIAL CLASS RESULTING FROM FULL VALUE ASSESSMENT

BASED ON 1973 SURVEY MARKET VALUES ON 1974 ASSESSMENT ROLLS AND 1973-4 REAL PROPERTY TAX LEVIES

THIS TABLE REPRESENTS STATE TOTAL EXCLUDING NEW YORK CITY

THIS TABLE REPRESENTS INTER-CLASS SHIFT ONLY

TAX LEVY SHIFT FOR THE RESIDENTIAL CLASS, AS A PERCENT OF CURRENT RESIDENTIAL LEVY*	NUMBER OF MUNICIPALITIES (1)	CUMULATIVE PERCENT OF TOTAL MUNICIPALITIES (2)	1970 CENSUS POPULATION (3)	CUMULATIVE PERCENT OF TOTAL POPULATION (4)	NUMBER OF RESIDENTIAL PARCELS (5)	CUMULATIVE PERCENT OF TOTAL RESIDENTIAL PARCELS (6)	--- ESTIMATED TAX LEVY --- FOR THE RESIDENTIAL CLASS APPORTIONED BY CURRENT ASSESSED VALUE (7)	FULL VALUE ASSESSMENT (8)	DOLLAR DIFFERENCE IN ESTIMATED RESIDENTIAL TAX LEVIES (9)	DIFF. IN TAXES PER RESIDENTIAL PARCEL (10)	DIFF. IN TAXES PER CAPITA (11)
Greater than -25.00	26	2.63	34,265	.33	7,275	.30	3,062,540	2,178,469	884,071-	122-	26-
-15.01 to -25.00	70	9.70	146,645	1.75	41,234	2.03	24,902,104	20,432,851	4,469,253-	108-	30-
-10.01 to -15.00	62	15.96	154,507	3.24	42,427	3.80	21,007,993	18,534,101	2,473,892-	58-	16-
-5.01 to -10.00	93	25.35	457,198	7.67	125,049	9.02	102,823,511	95,572,117	7,251,394-	58-	16-
-0.01 to -5.00	181	43.64	1,531,352	22.48	394,571	25.50	329,606,837	324,741,144	4,865,693-	12-	3-
0.00 to 5.00	199	63.74	2,370,423	45.40	556,283	48.73	524,763,002	539,653,887	14,890,885	27	6
5.01 to 10.00	126	76.46	2,620,686	70.75	632,345	75.14	687,696,389	740,374,202	52,677,813	83	20
10.01 to 15.00	75	84.04	1,165,706	81.63	229,511	84.73	190,377,004	213,113,744	22,736,740	99	20
15.01 to 20.00	34	87.47	297,929	84.91	70,516	87.67	41,310,187	48,456,336	7,146,149	101	24
20.01 to 25.00	30	90.51	667,602	91.37	116,715	92.55	116,213,555	142,030,866	25,817,311	221	39
25.01 to 30.00	20	92.53	530,178	96.49	101,022	96.77	59,591,028	75,043,840	15,452,812	153	29
30.01 to 50.00	35	96.06	300,573	99.40	55,847	99.10	42,002,564	56,782,526	14,779,962	265	49
50.01 to 70.00	11	97.17	28,813	99.68	8,622	99.46	3,281,689	5,082,467	1,800,778	209	62
70.01 to 90.00	6	97.78	8,189	99.76	3,784	99.62	679,953	1,239,144	559,191	148	68
Greater than 90.00	22	100.00	24,913	100.00	9,189	100.00	1,414,369	3,543,065	2,128,696	232	85
TOTAL	990	100.00	10,338,979	100.00	2,394,390	100.00	2,148,732,725	2,286,778,759	138,046,034	58	13

* A NEGATIVE TAX SHIFT DENOTES A SMALLER TAX BURDEN UNDER FULL VALUE ASSESSMENT

DISTRIBUTION OF MUNICIPALITIES BY 1973 MUNICIPAL MARKET VALUE RATIO AND RESIDENTIAL COEFFICIENT OF VARIATION *

Average % of Market Value at Which Property is Assessed	Coefficient of Variation						
	0 to 19.99	20.00 to 29.99	30.00 to 39.99	40.00 to 49.99	50.00 to 59.99	60.00 and GREATER	TOTAL
< 10.00		15	26	46	17	32	136
10.00 to 19.99	20	80	127	89	25	41	382
20.00 to 29.99	13	58	74	36	18	15	214
30.00 to 39.99	11	40	31	15	10	3	110
40.00 to 49.99	4	24	14	4	5		51
50.00 to 59.99	6	21	8	5	2		42
60.00 to 69.99	2	7	5	1			15
70.00 to 79.99	4	9	3	1			17
≥ 80	8	11	5				24
TOTAL	68	265	293	197	77	91	991

* Coefficient of variation is standard deviation expressed in percentage form and commonly used as the index of error in assessing the quality of Real Property Tax administration.

DISTRIBUTION OF MUNICIPALITIES BY
1973 MUNICIPAL MARKET VALUE RATIO
AND RESIDENTIAL COEFFICIENT OF VARIATION*

CELL TOTAL AS A PERCENT OF ROW TOTAL

Average % of Market Value at Which Property is Assessed	Coefficient of Variation						
	0 to 19.99	20.00 to 29.99	30.00 to 39.99	40.00 to 49.99	50.00 to 59.99	60.00 and GREATER	TOTAL
< 10.00		11.0	19.1	33.8	12.5	23.5	100.0
10.00 to 19.99	5.2	20.9	33.2	23.3	6.5	10.7	100.0
20.00 to 29.99	6.1	27.1	34.6	16.8	8.4	7.0	100.0
30.00 to 39.99	10.0	36.4	28.2	13.6	9.1	2.7	100.0
40.00 to 49.99	7.8	47.1	27.5	7.8	9.8		100.0
50.00 to 59.99	14.3	50.0	19.0	11.9	4.8		100.0
60.00 to 69.99	13.3	46.7	33.3	6.7			100.0
70.00 to 79.99	23.5	52.9	17.6	5.9			100.0
≥ 80	33.3	45.8	20.8				100.0
TOTAL	6.9	26.7	29.6	19.9	7.8	9.2	100.0

*Coefficient of variation is standard deviation expressed in percentage form and commonly used as the index of error in assessing the quality of Real Property Tax administration.

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